Bharat Bhari Udyog Limited

4715. SHRI S. K. T. RAMACHANDRAN: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Bharat Bhari Udyog Limited, a holding Company under the Ministry of Heavy Industry, has given consultancy of the Company to an American Consultant; and

(b) whether it is a fact that the American consultant have advised to create a Rail Engineering Division of all the Railway Wagon Manufacturing units under the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY AND DEPARTMENT OF PUBLIC ENTERPRISES (SHRI P. K. THUNGON): (a) Bharat Bhari Udyog Nigam Limited (BBUNL) has given a consultancy contract to a British consultancy agency, viz. M/s. W. S. Atkins International and not to an American Consultant.

(b) The Consultant has *inter-alia* suggested creation of a Rail Engineering Division with all the units of BBUNL which are engaged in manufacturing of railway products like wagons, coaches and their components.

Import of technology by Multinaional Companies

4716. SHRI SHANTI TYAGI: Will the PRIME MINISTER be pleased to state:

(a) whether Government have allowed unrestricted import of technology from foreign multinational companies in the country;

(b) if so, whether these would go against the interests of indigenous technology and research and development programme; and

(c) if so, what measures Government propose to adopt to curb unrestricted import of technology and to develop indigenous initiative in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) (SHRIMATI KRISHNA SAHI): (a) to (c) As spelt out in the Statement on Industrial Policy tabled in both Houses of Parliament on 24th July, 1991:—

(i) The Reserve Bank of India accords automatic permission for foreign technology agreements upto a lumpsum payment of Rs. 1 crore, 5 per cent royalty for domestic sales and 8 per cent for exports subject to total payments of 8 per cent of sales over a ten year period from date of agreement or seven years from commencement of production.

(ii) Other proposals need specific approval of the Government under the general procedures in force.

The facility for automatic approval for technology agreements has been extended with a view to injecting the desired level of technological dynamism in Indian industry. Indian companies will be free to negotiate the terms of technology transfer with their foreign counterparts according to their own commercial judgement. The predictability and independence of action which this measure is providing to Indian industry will induce them to develop indigenous competence for the efficient absorption of foreign technology. Greater competitive pressure will also induce indigenous industry to invest substantially in research and development.

The New Industrial Policy also contains specific steps which are expected to boost indigenous technology and investment. These include abolition of industrial licensing, removal of restrictions on investments under the MRTP Act, import of capital goods and raw materials, etc.